

104TH CONGRESS
1ST SESSION

S. 738

To amend the Helium Act to prohibit the Bureau of Mines from refining helium and selling refined helium, to dispose of the United States helium reserve, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 1, 1995

Mr. THOMAS (for himself, Mr. MURKOWSKI, Mr. HELMS, Mr. LAUTENBERG, Mr. GRAMS, and Mr. CRAIG) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Helium Act to prohibit the Bureau of Mines from refining helium and selling refined helium, to dispose of the United States helium reserve, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Helium Act of 1995”.

5 **SEC. 2. AMENDMENT OF HELIUM ACT.**

6 Except as otherwise expressly provided, whenever in
7 this Act an amendment or repeal is expressed in terms
8 of an amendment to, or repeal of, a section or other provi-

1 sion, the reference shall be considered to be made to a
2 section or other provision of the Helium Act (50 U.S.C.
3 167 to 167n).

4 **SEC. 3. AUTHORITY OF SECRETARY.**

5 Sections 3, 4, and 5 are amended to read as follows:

6 **“SEC. 3. AUTHORITY OF SECRETARY.**

7 “(a) EXTRACTION AND DISPOSAL OF HELIUM ON
8 FEDERAL LANDS.—

9 “(1) IN GENERAL.—The Secretary may enter
10 into agreements with private parties for the recovery
11 and disposal of helium on Federal lands upon such
12 terms and conditions as the Secretary deems fair,
13 reasonable, and necessary.

14 “(2) LEASEHOLD RIGHTS.—The Secretary may
15 grant leasehold rights to any such helium.

16 “(3) LIMITATION.—The Secretary may not
17 enter into any agreement by which the Secretary
18 sells such helium other than to a private party with
19 whom the Secretary has an agreement for recovery
20 and disposal of helium.

21 “(4) REGULATIONS.—Agreements under para-
22 graph (1) may be subject to such regulations as may
23 be prescribed by the Secretary.

24 “(5) EXISTING RIGHTS.—An agreement under
25 paragraph (1) shall be subject to any rights of any

1 affected Federal oil and gas lessee that may be in
2 existence prior to the date of the agreement.

3 “(6) TERMS AND CONDITIONS.—An agreement
4 under paragraph (1) (and any extension or renewal
5 of an agreement) shall contain such terms and con-
6 ditions as the Secretary may consider appropriate.

7 “(7) PRIOR AGREEMENTS.—This subsection
8 shall not in any manner affect or diminish the rights
9 and obligations of the Secretary and private parties
10 under agreements to dispose of helium produced
11 from Federal lands in existence on the date of enact-
12 ment of the Helium Act of 1995 except to the extent
13 that such agreements are renewed or extended after
14 that date.

15 “(b) STORAGE, TRANSPORTATION AND SALE.—The
16 Secretary may store, transport, and sell helium only in ac-
17 cordance with this Act.

18 “(c) MONITORING AND REPORTING.—The Secretary
19 may monitor helium production and helium reserves in the
20 United States and periodically prepare reports regarding
21 the amounts of helium produced and the quantity of crude
22 helium in storage in the United States.

1 **“SEC. 4. STORAGE AND TRANSPORTATION OF CRUDE**
2 **HELIUM.**

3 “(a) STORAGE AND TRANSPORTATION.—The Sec-
4 retary may store and transport crude helium and maintain
5 and operate crude helium storage facilities, in existence
6 on the date of enactment of the Helium Act of 1995 at
7 the Bureau of Mines Cliffside Field, and related helium
8 transportation and withdrawal facilities.

9 “(b) CESSATION OF PRODUCTION, REFINING, AND
10 MARKETING.—Not later than 1 year after the date of en-
11 actment of the Helium Act of 1995, the Secretary shall
12 cease producing, refining, and marketing refined helium
13 and shall cease carrying out all other activities relating
14 to helium which the Secretary was authorized to carry out
15 under this Act before the date of enactment of the Helium
16 Act of 1995, except activities described in subsection (a).

17 “(c) DISPOSAL OF FACILITIES.—

18 “(1) IN GENERAL.—Subject to paragraph (5),
19 not later than 1 year after the date of enactment of
20 the Helium Act of 1995, the Secretary shall dispose
21 of all facilities, equipment, and other real and per-
22 sonal property, and all interests therein, held by the
23 United States for the purpose of producing, refining
24 and marketing refined helium.

25 “(2) APPLICABLE LAW.—The disposal of such
26 property shall be in accordance with the law govern-

1 ing the disposal of excess or surplus properties of
2 the United States.

3 “(3) PROCEEDS.—All proceeds accruing to the
4 United States by reason of the sale or other disposal
5 of such property shall be treated as moneys received
6 under this chapter for purposes of section 6(f).

7 “(4) COSTS.—All costs associated with such
8 sale and disposal (including costs associated with
9 termination of personnel) and with the cessation of
10 activities under subsection (b) shall be paid from
11 amounts available in the helium production fund es-
12 tablished under section 6(f).

13 “(5) EXCEPTION.—Paragraph (1) shall not
14 apply to any facilities, equipment, or other real or
15 personal property, or any interest therein, necessary
16 for the storage and transportation of crude helium.

17 “(d) EXISTING CONTRACTS.—

18 “(1) IN GENERAL.—All contracts that were en-
19 tered into by any person with the Secretary for the
20 purchase by the person from the Secretary of refined
21 helium and that are in effect on the date of the en-
22 actment of the Helium Act of 1995 shall remain in
23 force and effect until the date on which the facilities
24 described in subsection (c) are disposed of.

1 “(2) COSTS.—Any costs associated with the ter-
 2 mination of contracts described in paragraph (1)
 3 shall be paid from the helium production fund estab-
 4 lished under section 6(f).

5 **“SEC. 5. FEES FOR STORAGE, TRANSPORTATION AND WITH-**
 6 **DRAWAL.**

7 “(a) IN GENERAL.—Whenever the Secretary provides
 8 helium storage, withdrawal, or transportation services to
 9 any person, the Secretary shall impose a fee on the person
 10 to reimburse the Secretary for the full costs of providing
 11 such storage, transportation, and withdrawal.

12 “(b) TREATMENT.—All fees received by the Secretary
 13 under subsection (a) shall be treated as moneys received
 14 under this Act for purposes of section 6(f).”.

15 **SEC. 4. SALE OF CRUDE HELIUM.**

16 Section 6 is amended—

17 (1) in subsection (a) by striking “from the Sec-
 18 retary” and inserting “from persons who have en-
 19 tered into enforceable contracts to purchase an
 20 equivalent amount of crude helium from the Sec-
 21 retary”;

22 (2) in subsection (b)—

23 (A) by inserting “crude” before “helium”;
 24 and

1 (B) by adding the following at the end:

2 “Except as may be required by reason of sub-
3 section (a), sales of crude helium under this
4 section shall be in amounts as the Secretary de-
5 termines, in consultation with the helium indus-
6 try, necessary to carry out this subsection with
7 minimum market disruption.”;

8 (3) in subsection (c)—

9 (A) by inserting “crude” after “Sales of”;
10 and

11 (B) by striking “together with interest as
12 provided in this subsection” and all that follows
13 through the end of the subsection and inserting
14 “all funds required to be repaid to the United
15 States as of October 1, 1994 under this section
16 (referred to in this subsection as ‘repayable
17 amounts’). The price at which crude helium is
18 sold by the Secretary shall not be less than the
19 amount determined by the Secretary as follows:

20 “(1) Divide the outstanding amount of such re-
21 payable amounts by the volume (in million cubic
22 feet) of crude helium owned by the United States
23 and stored in the Bureau of Mines Cliffside Field at
24 the time of the sale concerned.

1 “(2) Adjust the amount determined under para-
2 graph (1) by the Consumer Price Index for years be-
3 ginning after December 31, 1994.”;

4 (4) by striking subsection (d) and inserting the
5 following:

6 “(d) EXTRACTION OF HELIUM FROM DEPOSITS ON
7 FEDERAL LANDS.—All moneys received by the Secretary
8 from the sale or disposition of helium on Federal lands
9 shall be paid to the Treasury and credited against the
10 amounts required to be repaid to the Treasury under sub-
11 section (c).”;

12 (5) by striking subsection (e); and

13 (6) in subsection (f)—

14 (A) by inserting “(1)” after “(f)”; and

15 (B) by adding the following at the end:

16 “(2)(A) Within 7 days after the commencement of
17 each fiscal year after the disposal of the facilities referred
18 to in section 4(c), all amounts in such fund in excess of
19 \$2,000,000 (or such lesser sum as the Secretary deems
20 necessary to carry out this Act during such fiscal year)
21 shall be paid to the Treasury and credited as provided in
22 paragraph (1).

23 “(B) On repayment of all amounts referred to in sub-
24 section (c), the fund established under this section shall

1 be terminated and all moneys received under this Act shall
2 be deposited in the general fund of the Treasury.”.

3 **SEC. 5. ELIMINATION OF STOCKPILE.**

4 Section 8 is amended to read as follows:

5 **“SEC. 8. ELIMINATION OF STOCKPILE.**

6 “(a) REVIEW OF RESERVES.—The Secretary shall re-
7 view annually the known helium reserves in the United
8 States and make a determination as to the expected life
9 of the domestic helium reserves (other than federally
10 owned helium stored at the Cliffside Reservoir) at that
11 time.

12 “(b) STOCKPILE SALES.—

13 “(1) COMMENCEMENT.—Not later than Janu-
14 ary 1, 2005, the Secretary shall commence offering
15 for sale crude helium from helium reserves owned by
16 the United States in such amounts as may be nec-
17 essary to dispose of all such helium reserves in ex-
18 cess of 600,000,000 cubic feet by January 1, 2015.

19 “(2) TIMES OF SALE.—The sales shall be at
20 such times during each year and in such lots as the
21 Secretary determines, in consultation with the he-
22 lium industry, to be necessary to carry out this sub-
23 section with minimum market disruption.

24 “(3) PRICE.—The price for all sales under
25 paragraph (1), as determined by the Secretary in

1 consultation with the helium industry, shall be such
2 price as will ensure repayment of the amounts re-
3 quired to be repaid to the Treasury under section
4 6(c).

5 “(c) DISCOVERY OF ADDITIONAL RESERVES.—The
6 discovery of additional helium reserves shall not affect the
7 duty of the Secretary to make sales of helium under sub-
8 section (b).”.

9 **SEC. 6. REPEAL OF AUTHORITY TO BORROW.**

10 Sections 12 and 15 are repealed.

